

DEPARTMENT OF VETERANS AFFAIRS
CONSOLIDATED STATEMENTS OF FINANCING (NOTE 20)
FOR THE YEARS ENDED SEPTEMBER 30,
(DOLLARS IN MILLIONS)

	2004	2003
Resources Used to Finance Activities		
Obligations Incurred	\$ 74,421	\$ 69,349
Less Spending Authority from Offsetting Collections and Adjustments	(7,899)	(9,572)
Obligations Net of Offsetting Collections and Adjustments	66,522	59,777
Less Offsetting Receipts	(2,668)	(2,174)
Net Obligations	63,854	57,603
Donations of Property	14	15
Transfers-out	(1,227)	(1,925)
Imputed Financing	1,252	1,082
Other Financing Sources	3	(42)
Total Resources Used to Finance Activities	63,896	56,733
Resources That Do Not Fund Net Cost of Operations		
Change in Amount of Goods, Services and Benefits Ordered But Not Yet Provided	(452)	(357)
Resources that Finance the Acquisition of Assets	(5,398)	(4,428)
Resources that Fund Expenses Recognized in Prior Periods	(441)	(1,105)
Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations	3,065	4,812
Other	(3)	2
Total Resources That Do Not Fund Net Costs of Operations	(3,229)	(1,076)
Total Resources Used to Finance the Net Cost of Operations	60,667	55,657
Costs That Do Not Require Resources in the Current Period		
Increase in Annual Leave Liability	75	55
Increase in Environmental and Disposal Liability	(37)	104
Reestimates of Credit Subsidy Expense	2,148	(565)
Increase in Exchange Revenue Receivable from the Public	952	157
Increase in Veterans Benefits Actuarial Liability	(30,000)	105,600
Depreciation and Amortization	465	1,345
Bad Debts Related to Uncollectible Non-Credit Reform Receivables	328	194
Loss on Disposition of Assets	99	109
Other	(1,430)	(182)
Total Costs That Do Not Require Resources in the Current Period	(27,400)	106,817
Net Cost of Operations	\$ 33,267	\$ 162,474

The accompanying Notes are an integral part of these financial statements.